

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6350

BILL NUMBER: SB 391

NOTE PREPARED: Jan 9, 2014

BILL AMENDED:

SUBJECT: Statewide and Regional Water Resource Planning.

FIRST AUTHOR: Sen. Young R

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
☒ FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill divides Indiana into nine hydrological regions, each of which contains certain specified counties.

It establishes for each hydrological region: (1) a regional water management council consisting of the chairpersons of the drainage board and the soil and water conservation district of each county in the hydrological region; and (2) a regional water planning group consisting of the members of the regional water management council and six other members selected by majority vote of the regional water management council from individuals falling within certain interest categories. The bill requires each regional water planning group, every five years, to adopt a regional water resources plan for its hydrological region and to forward its regional water resources plan to the Natural Resources Commission (NRC).

The bill also requires the NRC, every five years, to adopt a comprehensive state water resources plan that incorporates the regional water resources plans of the regional water planning groups.

The bill requires the Director of the Department of Natural Resources (DNR) to establish a water resources information system to serve as a central clearinghouse and referral center for data relevant to Indiana's water resources.

Effective Date: July 1, 2014.

Explanation of State Expenditures: *Summary:* The NRC administrative and rulemaking requirements in the bill should be accomplished within the existing resources available to the commission. The DNR Division of Water currently performs much of the data collection required, disseminates water management

information on the Division's web page, and performs water planning functions. The DNR should be capable of performing the requirements of the bill within the existing resources available to the agency.

Statewide Water Resources Planning: The NRC is required to adopt rules that establish a uniform, consistent methodology for the calculation of water use and conservation for the plans to be developed at the regional and state levels. The NRC is also to receive the 5-year regional water plans and develop a statewide water resources plan incorporating the regional plans. The NRC is further required to adopt the statewide water resources plan before January 1, 2017, and adopt a revised or new plan every 5 years thereafter. In coordination with the Department of Agriculture and the Environmental Rules Board, the NRC is to adopt rules establishing guidance principles for the state water resources plan.

Water Resources Information System: The bill requires the DNR to establish the Indiana Water Resources Information System to serve state and local government and citizens as a central clearinghouse and referral center for water resource data.

Additional Information: The Division of Water at DNR has FY 2014-FY 2015 budgeted General Fund operating appropriations of \$4.8 M each year of the biennium. In addition, the Division has approximately \$2.8 M in state General Funds appropriated for capital projects for the biennium. Also, the Division of Water generated approximately \$1.0 M and \$600,000, respectively, during FY 2012 and FY 2013 in dedicated revenues for the Land and Water Resources Fund (IC 14-25-10), the Water Environmental Fund (IC 14-25.5-3), and the Water Resources Development Fund (IC 14-25-2). The Division also administers federal grant funds.

The Division of Water currently employs 66 full-time and 8 part-time employees. These employees do not include additional support provided by the Administration Bureau at DNR.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill outlines a working structure and procedures for the regional planning process. It does not identify a funding source for the regional water plan development process. It is not clear as to how the regional water management councils will produce the studies, quantitative predictions, and other requirements of the process outlined to produce the regional water plans.

The bill establishes nine regional water management councils as the governing body of a public agency and subject to state open door law and laws concerning access to public records. The water management councils are established to prepare regional water resources plans. The councils are required to prepare written studies of their hydrological regions. The studies must contain elements listed in the bill and may be required to include other information as determined by DNR. Using the studies, the councils are to predict in quantitative terms the future demand on water resources in their respective regions for a period of 50 years. If the council determines that the water supplies will not be adequate to meet the needs of the region, the council is to determine social and economic effects that will occur if all water needs are not met and develop strategies to meet the needs of all water users in the region. The councils' work is to be carried out through public meetings. Based on the study, the prediction of future water use, and the strategies developed to meet future needs, the councils are to prepare a regional water resources plan every 5 years. The specific responsibilities of the regional water planning groups are not addressed in the bill.

Explanation of Local Revenues:

State Agencies Affected: DNR, NRC, Department of Agriculture, Utility Regulatory Commission, Department of Environmental Management.

Local Agencies Affected: Drainage boards, soil and water conservation districts, local utilities.

Information Sources: DNR Division of Water Website (www.in.gov/dnr/water/2461.htm); DNR, Auditor of State's data base, and the State Staffing Table.

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